

ENVIRONMENTAL QUESTIONNAIRE

Instructions: The following shall be used as a guide to determine if a Phase I or Phase II audit is needed, and is to be complete during an on-site inspection by the lender where commercial real estate is to be taken as collateral (residential real estate is excluded).

1. Determine the prior, current, and planned uses for the property. If any of these uses involves an operation that used or uses toxic chemicals conduct a Phase I audit. (Discussion with current/prospective owners can help identify uses.)
2. To the extent possible determined the prior, current, and planned uses of all adjoining property. If any of these uses involves an operation that used or uses toxic chemicals conduct a Phase I audit. (Discussions with current/prospective owners, as well as visual check, can help identify uses.)
3. Conduct a visual inspection of the facility, preferably accompanied by current owners. The following observations may trigger the need for a Phase I audit:
 - any evidence that chemicals are used in the operation of the facility
 - discarded chemical containers
 - waste pile of any type
(ask about buried waste and the presence of underground storage tanks)
 - evidence of distressed vegetation or non-vegetative areas
 - oily films on standing water
 - discolored soils
 - unusual odors
4. Determine that the applicant has all relevant environmental permits and/or notifications in place. If not, conduct a Phase I audit. (Local regulatory authorities could be consulted for assistance on requirements.)
5. Determine whether the facility has ever been involved in:
 - any citations, claims, or complaints regarding environmental problems
 - any notices of violations
 - any environmental clean-up actions

Discussions with the applicant, as well as local regulatory authorities, can identify facility abuse. If yes on any point, conduct a Phase I audit.

**NOTE: TUMBLE PAGE FOR
LENDER RECOMMENDATION AND REPORT**

Lender or SBA Report on Issues Covered by This Questionnaire:

Recommendation:

Acknowledgment by the Applicant and the Bank:

I acknowledge that I have read this questionnaire, and have responded to the issues and questions posed therein to the best of my knowledge.

Business Name (Corporation)

by _____ (Title)

Bank Name

by _____ (Title)